

Exhibit 318

GENERAL LAWS

(AND JOINT RESOLUTIONS)

OF THE

LEGISLATURE OF ALABAMA

PASSED AT THE

SESSION OF 1935

HELD AT THE CAPITOL, IN THE CITY OF MONTGOMERY

Commencing Tuesday, January 8, 1935



BIBB GRAVES, Governor.

THOMAS E. KNIGHT, JR., Lieutenant-Governor.

D. HARDY RIDDLE, President Pro Tem. of the Senate.

R. H. WALKER, Speaker of the House.

I, Howell Turner, Secretary of State in and for the State of Alabama, do hereby certify that this volume is published by the authority of the State of Alabama, and in accordance with law.

HOWELL TURNER,
Secretary of State.

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eral hospitals shall be subject to the approval or disapproval of the County Board of Censors of the County in which such hospital is located; provided, however, that an appeal can be made from the decision of the County Board of Censors to the State Committee of Public Health which State Committee of Public Health shall hear, consider and determine the questions of the standing and qualifications of such hospital de novo. All students graduating from Schools of Nursing affiliated with General Hospitals, as designated in this Act, and which otherwise maintain reasonable and proper educational standards, which educational standards shall be determined by the Nurses Board of Examination and Registration of Alabama, shall be eligible to take the State Board examinations for nurses. No candidate for a license as a Registered Nurse shall be admitted to take the State Board Examinations, nor licensed as a Registered Nurse who has not graduated from a school of nursing which complies with such rules and standards. Provided, however, that none of the provisions herein contained shall affect any nurse now in training.

Approved September 14, 1935.

No. 544)

(H. 769—Lusk)

AN ACT

To authorize, provide for and regulate non-profit corporations for the establishment, maintenance and furnishing of a plan of hospitalization and hospital service.

Be it enacted by the Legislature of Alabama:

Section 1. That the duly designated representatives of two or more hospitals organized for hospital purposes under the laws of the State of Alabama, or any hospitals engaged in a bona fide hospital business and which shall have been approved by the trustees of the Alabama Hospital Association and the State Board of Censors of the Medical Association of the State of Alabama as properly manned and equipped hospitals to render first class service as herein provided for, may constitute themselves a board of trustees for the purpose of incorporating a non-profit corporation to establish, maintain and operate a hospital service plan under which hospital care is to be furnished to such of the public who become subscribers to such plan under a contract which entitles each subscriber to hospital care.

Section 2. When two or more hospitals have designated representatives to join with each other in the incorporation of such corporation, such representatives acting as trustees shall prepare and file in the office of the Probate Judge of the County in which

said corporation is to have its principal place of business, a certificate of their intention to become such a corporation, which certificate shall be signed by each of said trustees and shall set forth: (a) The name of the proposed corporation. (b) The objects and purposes for which the Corporation is organized. (c) The location of the principal office of the corporation in this State. (d) The names and Post Office addresses of each trustee and the hospital which designated him as a trustee. (e) The certificate may also contain any other provisions which the incorporators may desire to insert for the regulation of the business and affairs of the Corporation, not inconsistent with the provisions of this Act. (f) Attached to the certificate of incorporation must be a certificate signed by the president and secretary of the Alabama State Hospital Association and a certificate signed by the secretary of the State Board of Censors of the Medical Association of the State of Alabama that each of said bodies has approved the hospitals forming said corporation as proper hospitals to render hospital service under the plan herein provided.

Section 3. Upon the filing in the said Probate Office of such a certificate, the trustees therein named and their successors, shall become a body corporate for the purpose of establishing, maintaining and operating the hospital service plan as herein provided. Such certificates of incorporation may be amended at any time for the purpose of taking in or adding to its trustees the representatives of other hospitals provided such other hospitals are approved by the officers and trustees of the Alabama Hospital Association and the State Board of Censors of the Medical Association of Alabama as herein provided. In order to so amend the said certificate of incorporation the trustees of said corporation shall file in said Probate Office a certificate setting forth the names of the added hospitals and the names of the representatives of such hospitals accompanied by the certificates of the approval of said hospitals in like manner as provided or required in the original certificate of incorporation. It shall be the duty of the corporation so organized to furnish the Superintendent of Insurance a copy of its certificate of incorporation and a copy of each amendment thereto immediately after the same is filed.

Section 4. Any hospital doing business in the State of Alabama shall have the right to participate as a member of said corporation provided such hospital shall have been approved in writing as a proper hospital to render the service herein provided by the trustees of the Alabama Hospital Association and the State Board of Censors of the Medical Association of the State of Alabama.

Section 5. Every corporation organized under the provisions of this Act shall procure from the Superintendent of Insurance a

certificate of authority to do business for which the corporation shall pay the sum of Two Hundred Dollars (\$200.00), and such certificates of authority shall be renewed thereafter on or before the first day of March of each year. The corporation may then enter into contracts with the public, subject to the restrictions herein contained, for the rendering of hospital service. It shall be the duty of such corporation to issue certificates to those of the public who shall desire to avail themselves of the hospital service plan herein provided for, which certificates shall specify the hospital service which is proposed to be rendered, and such certificates may provide for more than one class of service, and such certificate shall state the retail value of all items or classes of service agreed to be furnished. Such certificates must also specify the charge or premium which is required to be paid for the services therein called for, and the purchaser of a certificate for Group Hospitalization will not be entitled to any of the benefits and privileges named in his certificate, until a period of sixty days after purchase date has elapsed. Each certificate shall carry a service date covering the full period of time paid for, and shall designate the person or persons, or class of persons, who shall be entitled to hospital service under said certificate and shall also designate the hospitals which are to render the services provided for in said certificate. Said certificate shall stipulate that the service therein provided shall not include any medical or surgical services. It shall also provide that any doctor may be selected by the certificate holder to treat him while a patient in the hospital provided the doctor selected is a reputable doctor and eligible for membership in his County Medical Society. No such corporation shall issue or sell any contract until the same shall have been approved in writing by the Superintendent of Insurance.

Section 6. Any holder in good standing of a certificate for such hospital service may select any hospital named in said certificate to render the necessary hospital service thereunder.

Section 7. The corporation organized under the provisions of this Act shall obtain from the Superintendent of Insurance a certificate of authority for every individual agent writing or soliciting hospital certificates for said corporation and only agents holding such certificates shall be authorized to solicit certificates for said corporation. For each certificate so issued the corporation shall pay to the Superintendent of Insurance the sum of Five (\$5.00) Dollars and such certificate shall be renewable in January of each year. It shall also be the duty of the Corporation organized under the provisions of this Act to file with the Superintendent of Insurance two copies of all certificates which the said corporation proposes to issue or sell in this State.

Section 8. The rates, charges and premiums to be charged the public for the hospital service and for the certificates there-

for, and the certificates and benefits thereunder, herein provided for shall at all times be subject to the approval of the Superintendent of Insurance, and shall be adequate to meet the liability assumed under such contracts and all expenses incurred in connection therewith. The Trustees of the Alabama Hospital Association in conjunction with the State Board of Censors of the Medical Association of the State shall have the right, subject to the approval of the Superintendent of Insurance to prescribe reasonable rules and regulations under and by which all certificate holders can procure the services herein provided for. The Superintendent of Insurance or any of his designated deputies or examiners shall have the power of visitation and examination into the affairs of any such corporation and shall have free access to all books, papers and documents that relate to the business of said corporation and may summon and qualify witnesses under oath, to examine them in relation to the affairs, transactions and conditions of the corporation. Such examination shall be made at the expense of the corporation. The acquisition cost in connection with the solicitation of subscribers to said hospital plan be subject to the approval of the Superintendent of Insurance.

Section 9. Every such corporation shall deposit with and thereafter maintain on deposit with the Treasurer of the State of Alabama bonds of the United States Government or of the State of Alabama, or of any subdivision thereof, or first mortgages on real estate situated in Alabama securing an indebtedness not in excess of fifty (50%) per cent of the appraised value thereof, subject to the approval of the Superintendent of Insurance, in an amount to be determined as of the 1st day of January of each year as follows:—Every such company whose gross annual premium receipts from business done within this state for the preceding year ending December 31st are less than \$50,000. shall so deposit and maintain such securities of par and market value not less than \$5,000.00; every such company whose such gross annual premium receipts so computed are in excess of \$50,000. and less than \$150,000. shall so deposit and maintain such securities of par and market value not less than \$10,000.00; every such company whose such gross annual premium receipts so computed are in excess of \$150,000.00 and less than \$250,000.00 shall so deposit and maintain such securities of par and market value not less than \$15,000.00; every such company whose such gross annual premium receipts so computed shall exceed the sum of \$250,000. shall so deposit and maintain such securities of a par and market value of not less than \$20,000.00; Provided that before any such company shall be licensed to or shall engage in any business in this state it shall so make an initial deposit of such securities of a par and market value not less than \$3,000.00. The securities so deposited may from time to time with the approval of the Superintendent of Insurance and the State

Treasurer be substituted for other authorized securities of equal value. The deposit so maintained shall constitute a trust fund primarily for the security of persons holding certificates or policies of such company.

Section 10. All decisions and findings of the Superintendent of Insurance, State Board of Censors of the Medical Association of the State of Alabama and of the Alabama State Hospital Association made under the provisions of this Act shall be subject to revision by proper proceedings in a court of competent jurisdiction.

Section 11. On or before the 1st day of March of each year every such company transacting business in this state shall file with the Superintendent of Insurance a statement showing the amount of gross premiums received by it for business done in this State during the preceding calendar year ending December 31st, less return premiums, and the number of contracts, certificates or policies outstanding, at which time every such company shall pay to the Superintendent of Insurance one dollar (\$1.00) for each One Hundred (\$100.00) of such gross premiums, less return premiums.

Section 11. (a) All certificates issued must contain a provision to the effect that in the event the holder in good standing, becomes an emergency case in territory other than in the State of Alabama in which he resides and requires hospitalization as an emergency case, the corporation will pay to the hospital in such territory the same sum that it would have paid a hospital selected by the certificate holder and located in the State of Alabama, his residence, had he been treated in such hospital in the State of Alabama.

Section 12. The corporation shall annually on or before the first day of March file in the office of the Superintendent of Insurance a statement verified by at least two of the principal officers of said corporation showing its conditions on the 31st day of December then next preceding, which shall be in such form and shall contain such matters as the Superintendent of Insurance shall prescribe. Every such corporation shall charge as the liability for reinsurance, or reinsurance reserve fund, of all outstanding certificates or policies fifty percent of the premiums or charges received on policies or certificates having not more than one year to run, and on certificates or policies having more than one year to run, such proportion of the total premiums as the unexpired portion of the term bears to the entire term, subject to a minimum of fifty percent of the regular premium for one year. Every such corporation shall at all times hold assets equal to such aggregate amount so computed over and above all other liabilities.

Section 13. This Act shall be liberally construed in order to accomplish the beneficial purposes sought, by making it possible

for persons of limited means to obtain adequate hospital care when the same is required. Should any part of this Act be declared unconstitutional by any Court, such decision shall not affect the remainder thereof.

Section 14. All laws and parts of laws in conflict with this Act are, for the purpose of giving effect to this Act, hereby repealed.

Section 15. This Act shall take effect immediately.

Approved September 14, 1935.

No. 545)

(H. 814—Owen (Etowah)

AN ACT

To provide and submit to the qualified electors of the State of Alabama, at an election to be held on the first Tuesday next after the expiration of three months from the date of the final adjournment of the present session of the Legislature an amendment to the Constitution of the State of Alabama, continuing the amount of taxes which may be levied by the Governing Body of the municipality of Attalla, Alabama.

Be it enacted by the Legislature of Alabama:

Section 1. That the following amendment to the Constitution of Alabama is hereby proposed, and an election by the qualified electors of the State, is hereby authorized upon such proposed amendment and the day appointed for such election is the first Tuesday next after the expiration of three months from the date of the final adjournment of the present session of the Legislature at which this amendment is proposed. The amendment proposed is as follows: (a) That the Municipality of Attalla, Alabama, through its governing body, may levy and collect from and after the date of this amendment the present rate of one per cent ad valorem tax per annum, and said amount to be devoted to the payment of outstanding bonds, provide for schools, and such other purposes as may be designated by the governing body of said municipality, but before any additional tax now authorized by law can be levied, it must be voted by a majority of qualified electors of the Municipality voting on such proposition at an election called by the governing body of said Municipality for such purposes; providing that the total tax levied for all purposes by the said Municipality of Attalla shall not exceed one per centum in any one year on the property situated therein, based on the valuation of such property as assessed for State taxation. (b) That the adoption of this amendment shall in no wise effect, limit, modify, abridge or impair the power, authority or right of such Municipality to levy and collect the special school taxes now or hereafter vested in or conferred upon it under the Constitution or any amendment there-